

# **U.S.-Peru Trade Promotion Agreement Market Access Results**

## **Medical Equipment**

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### **Trade and Tariffs**

This sector is defined by the World Trade Organization's Uruguay Round sector agreement on medical equipment. Medical equipment accounted for 1.6 percent of total U.S industrial exports to Peru in 2004, totaling \$22.7 million. The top U.S. exports in this sector included instrument parts, electro-diagnostic apparatus, reagents, and ultrasounds. Peruvian tariffs range between 4 and 12 percent, with an average of 6.7 percent in 2004.

Peruvian exports to the United States totaled \$1.9 million in 2004, or less than 1 percent of Peru's total industrial exports to the United States. Peruvian exports to the United States are dominated by medical machinery parts. The United States is a signatory of the Uruguay Round sectoral agreement and as a result imposes zero duties on these products.

### **Tariff Elimination**

Overall, tariffs will be phased out according to four tariff elimination categories: immediate elimination, equal cuts over five years, equal cuts over seven years, and equal cuts over ten years.

For medical equipment, 98 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the agreement. The only products not subject to immediate tariff elimination are orthopedic and fracture appliances. Duties on these products will be eliminated over five years.

### **Non-Tariff Barriers**

Peru will eliminate its prohibition on the importation of remanufactured goods, as defined in Chapter Four - Rules of Origin, on entry into force of the Agreement. Peru will eliminate tariffs on most remanufactured goods immediately and will phase down tariffs on a small number of remanufactured goods over 10 years.